



**catawba county**

MAKING. LIVING. BETTER.

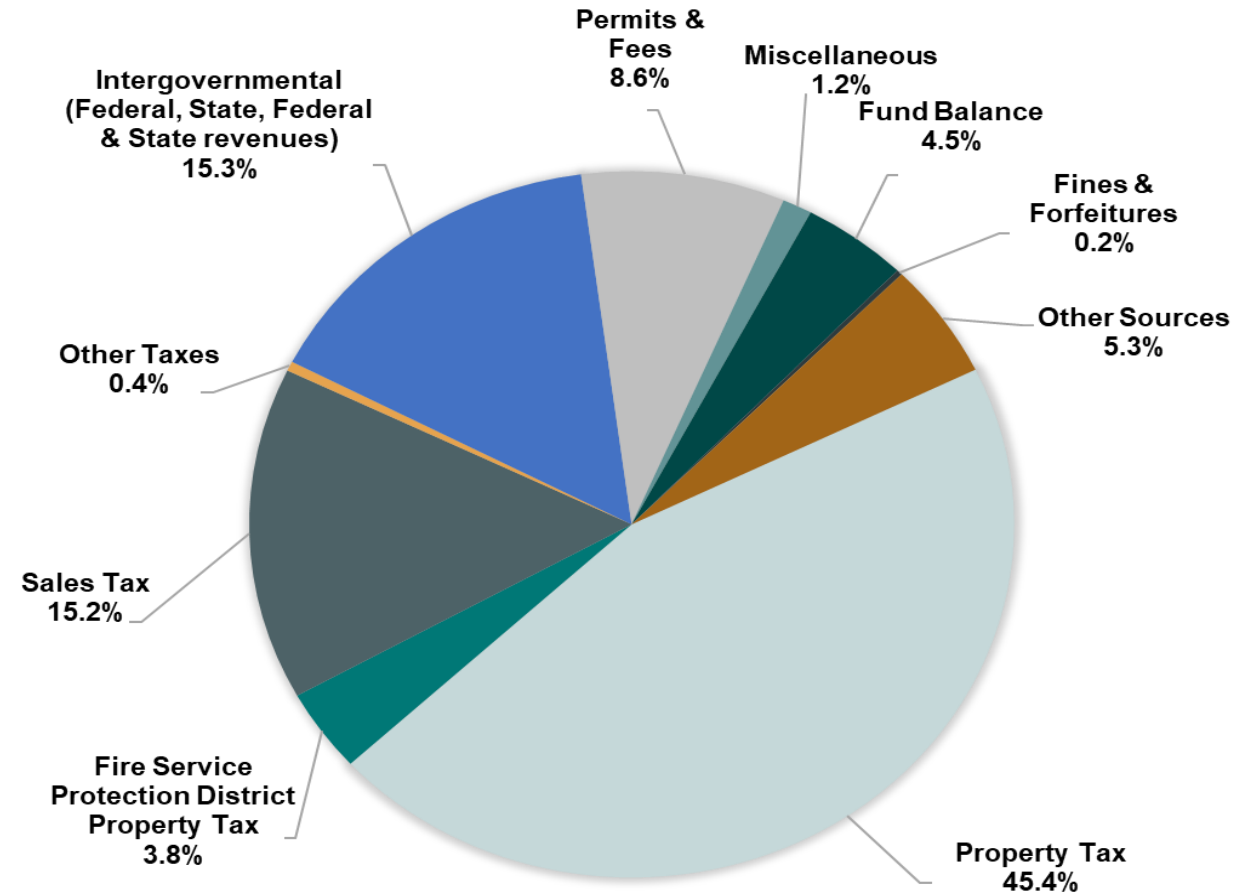
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# **FY2020-21 Managers Recommended Budget**

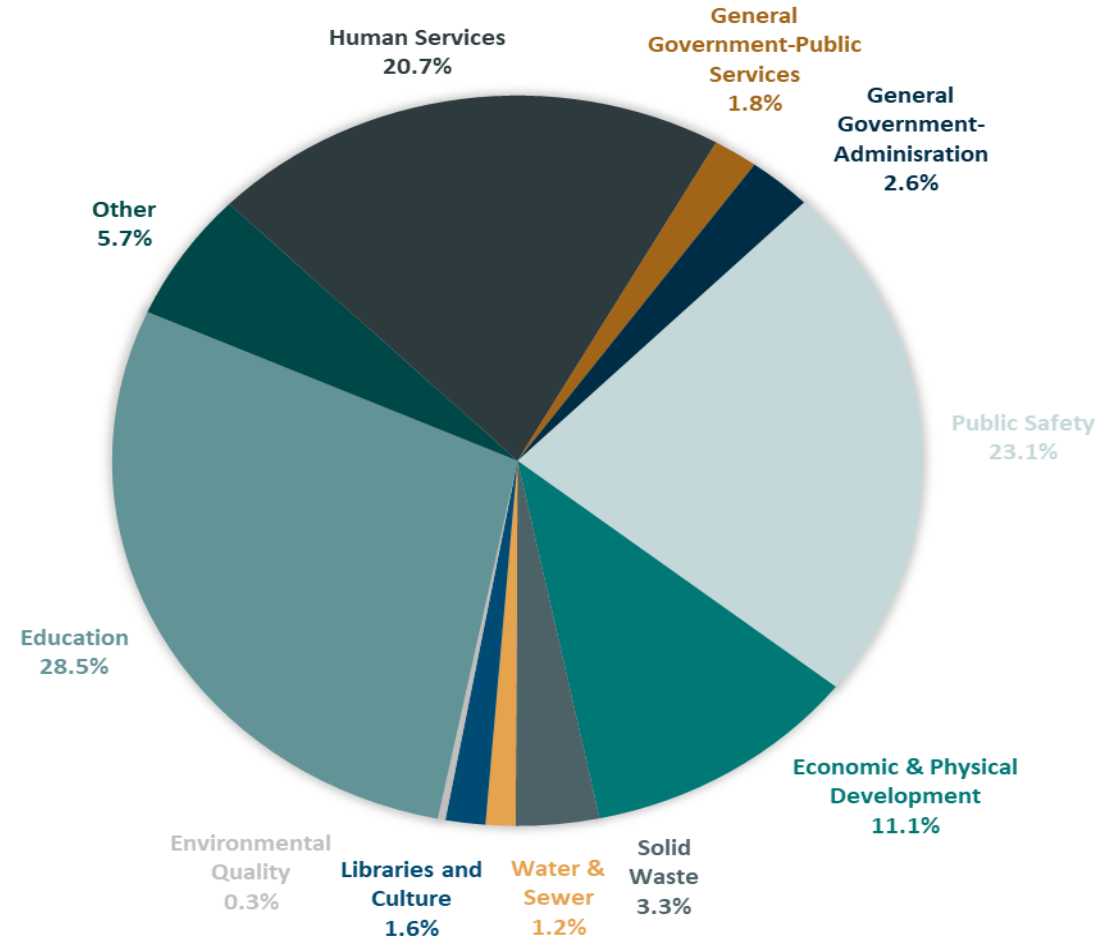
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**May 11, 2020**

# Total Budget: Revenue by Function



# Total Budget: Expense by Function



# 1.5% Revenue Growth Maintaining \$.575 Property Tax Rate

Revenue Category	Budget 19/20	20/21 Recommended Budget	Change Vs FY19/20 Budget	% Change
Property Tax	\$102,095,631	\$105,547,711	\$3,452,080	3.4%
Sales Tax	\$30,953,657	\$29,608,821	(\$1,344,836)	-4.3%
Other Taxes	\$680,000	\$680,500	\$500	0.1%
Federal	\$14,493,535	\$14,808,250	\$314,715	2.2%
State	\$6,989,773	\$6,928,605	(\$61,168)	-0.9%
State & Federal	\$6,017,073	\$6,832,229	\$815,156	13.5%
Local	\$5,965,605	\$5,989,443	\$23,838	0.4%
Permits & Fees	\$11,492,205	\$11,981,335	\$489,130	4.3%
Miscellaneous	\$2,148,672	\$2,296,343	\$147,671	6.9%
Transfers In	\$718,759	\$550,000	(\$168,759)	-23.5%
Fines & Forfeitures	\$579,200	\$575,700	(\$3,500)	-0.6%
Other Sources	\$9,471,345	\$9,548,775	\$77,430	0.8%
Fund Balance Applied	\$7,284,596	\$6,500,000	(\$784,596)	-10.8%
<b>Total Revenue</b>	<b>\$198,890,051</b>	<b>\$201,847,712</b>	<b>\$2,957,661</b>	<b>1.5%</b>



# 1.5% Expenditure Growth Maintaining \$.575 Property Tax Rate



	2019/20 Current	2020/21 Recommended	Percent Change
<b>General Fund</b>			
General Government	\$9,034,383	\$9,569,277	5.9%
Public Safety	36,487,472	37,773,056	3.5%
Environmental Quality	722,247	714,423	-1.1%
Economic & Physical Development	20,034,168	21,158,618	5.6%
Human Services	47,259,838	48,654,361	3.0%
Schools Current Expense	46,076,976	46,710,448	1.4%
Libraries & Culture	3,623,760	3,724,290	2.8%
Debt Service	28,812,685	28,188,100	-2.2%
Transfers to Other Funds	6,838,522	5,355,139	-21.7%
	<b>\$198,890,051</b>	<b>\$201,847,712</b>	<b>1.5%</b>



# Revised FY21 Revenue Projections

Revenue Category	Starting 20/21 Budget	20/21 Revised Revenue	Change vs Starting Budget 20/21
Property Tax	\$105,857,000	\$105,547,711	(\$309,289)
Sales Tax	\$32,821,911	\$29,608,821	(\$3,213,090)
Other Taxes	\$680,500	\$680,500	\$0
Federal	\$14,808,250	\$14,808,250	\$0
State	\$6,928,605	\$6,928,605	\$0
State & Federal	\$6,832,229	\$6,832,229	\$0
Local	\$5,989,443	\$5,989,443	\$0
Permits & Fees	\$11,981,335	\$11,981,335	\$0
Miscellaneous	\$2,296,343	\$2,296,343	\$0
Transfers In	\$550,000	\$550,000	\$0
Fines & Forfeitures	\$575,500	\$575,700	\$0
Other Sources	\$9,348,775	\$9,548,775	\$200,000
Fund Balance Applied	\$6,500,000	\$6,500,000	\$0
<b>Total Revenue</b>	<b>\$205,169,891</b>	<b>\$201,847,712</b>	<b>(\$3,322,179)</b>



# Balancing FY21 Expenditures to Expected Revenues

Expenditure Category	Starting 20/21 Budget	20/21 Recommended Expenditure	Change vs Starting Budget 20/21
Schools Current Expense	\$996,564	\$636,972	(\$359,592)
Schools Debt Diversion	\$0	(\$1,298,980)	(\$1,298,980)
Parks	\$373,847	\$144,000	(\$229,847)
Emergency Services	\$349,737	\$158,700	(\$191,038)
Sheriff	\$407,519	\$365,019	(\$42,500)
General Operating Reductions	\$84,066	(\$493,077)	(\$577,143)
ARC Building	\$200,000	\$0	(\$200,000)
Maintaining Operations & Services	\$798,050	\$660,626	(\$137,424)
Maintaining Competitive Compensation	\$1,239,000	\$961,270	(\$277,730)
BCDCF Payment	\$0	(\$207,925)	(\$207,925)
Special Contingency	\$0	\$200,000	\$200,000
			(\$3,322,179)



# FY21 Funded Investments



## ECONOMIC DEVELOPMENT:

- Trivium, Spec Building - invests \$3.4M towards creation of jobs and tax base
- SECC Business Park / Education Campus – funds \$100,000 towards emergent opportunities (\$1.04M available)

## EDUCATION:

- Current Expense: 2% increase to per pupil funding (\$543,972)
- K64: 4<sup>th</sup> of 5-year \$1.3M funding commitment
- Annual Capital: \$5.5M dedicated to schools annual capital needs; submitted list of needs totals \$14M+

## WATER AND SEWER:

- \$2.77M in expected water capital needs, \$6.3M in expected wastewater capital needs over next 5 years (supported w/development-driven user fees and existing fund reserves)





# FY21 Funded Investments



## SHERIFF:

- Sheriff: Court Security – Conversion of \$122,000 in part-time wages to 2 FTEs
- Sheriff: Radio Replacement – \$188,000 for 800mHz compatibility / compliance by 2025 (1<sup>st</sup> of 5-year phase-in)
- Sheriff: School Resource Officers – 2 FTEs (added in FY20) \$119,000

## EMERGENCY SERVICES:

- Animal Shelter: Staffing and operational expense for County operation – 15 FTEs (\$329,000)
- EMS: Fund 2 Shift Supervisors in April (\$38,638 on-going + \$103,800 in one-time equipment)
- EMS Bases: Move forward with planning for Newton Base (ARC), plan ready to evaluate later in FY



# FY21 Funded Investments



## PARKS:

- Mountain Creek Operations - \$47,642 for 2 months' staffing
- Mountain Creek Equipment Purchase - \$96,000 for start-up equipment expense
- Mountain Creek Debt Service - \$665,340

## MAINTAINING OPERATIONS AND SERVICE:

- Compensation – \$500 lump sum per employee 7/1, Evaluate 2% Performance 3/1/21
- Treasurer's mandatory LGERS increases: \$665,000
- Maintaining health insurance plan



# FY21 Hold, Postpone, Reduce



## EDUCATION:

- Current Expense: reduced planned per pupil funding increase by 0.8%, compared to planned (-\$359,562)
- Schools Construction: push \$29.5M planned borrow from FY21 to FY22, driven by more realistic timeline for Maiden Elementary planning and construction
  - Creates opportunity for one-time funding diversion of \$1.3M; preserves future debt capacity

## PARKS:

- System-wide operating hours: delay implementation of 7 Days / Holidays (-\$230,205)



# FY21 Hold, Postpone, Reduce



## EMERGENCY SERVICES:

- Shift Supervisors – 2 positions funded in April instead of 4 funded in July (-\$374,000)

## PUBLIC HEALTH:

- School Nurses: Evaluate in January - 2 FTEs

## SHERIFF:

- Lake Patrol - Not recommended: 4 FTEs (-\$490,000 - \$224,000 ongoing, \$266,000 start-up)
- Elementary – Not recommended SROs – 6 FTEs (-\$881,000 - \$374,000 ongoing, \$507,000 start-up)

## AGRICULTURAL RESOURCE CENTER:

- Evaluate options (Reno, Relocate, Build, etc.); concept ready for FY 21-22 CIP.



# General Budget Reductions



## OPERATING:

- Technology –1 FTE Software Engineer (-\$92,291)
- County Manager – reduction in retirement-driven staffing overlap (-\$52,796)
- Miscellaneous – (-\$35,152)

## CAPITAL:

- Pay it Forward – economic development set aside (-\$55,000)
- Utilities & Engineering – fund Energov increased set aside from General Capital FB, replace 2 fewer vehicles (-\$148,972)
- Public Health – delay building updates (-\$120,000)



# Supplemental Federal and State Revenues

## K-12 Emergency Relief Fund (*planning allotments*)

Catawba County Schools	\$2,616,087 to \$2,877,696
Hickory Public Schools	\$861,188 to \$947,307
Newton-Conover City Schools	\$657,104 to \$722,814

Governor Cooper's Proposed Budget: \$150M for local governments distributed based on population

- Amounts to \$2.845M

? Additional federal / state appropriations for Emergency Services, Public Health, Social Services, Sheriff, Elections ?



# Continuing to Support Outside Agencies

Outside Agencies & Incentives Agency	2019/20 Approved	2020/21 Requested	2020/21 Recommended	Change	% Change
Carolina Land & Lakes	-	10,000	-	0	0%
Catawba County Council on Aging		30,000	-	0	0%
Catawba Land Conservancy	2,000	2,000	2,000	0	0.0%
<b>Chamber of Commerce</b>					
Edison Project	5,000	0	0	(5,000)	0%
Entrepreneurial Ecosystem Sponsor	0	7,500	7,500	7,500	0%
HKY4Vets	5,000	6,000	6,000	1,000	20.0%
Visitor Information Center	3,000	3,000	3,000	0	0.0%
Leadership Catawba	1,000	1,000	1,000	0	0.0%
Civil Air Patrol	405	405	405	0	0.0%
Conflict Resolution Center	14,500	14,984	14,500	0	0.0%
Convention & Visitors Bureau	25,000	25,000	25,000	0	0.0%
Economic Development Corporation	327,084	340,082	340,082	12,998	4.0%
EDC - MJP (total includes city reimbursement \$237,193)	551,615	551,620	551,620	5	0.0%
<b>EDC Incentives</b>	<b>6,589,428</b>	<b>6,798,998</b>	<b>6,932,687</b>	<b>343,259</b>	<b>5.2%</b>
Apple	4,833,081	4,836,460	4,970,149	137,068	2.8%
Axjo AB	20,125	26,019	26,019	5,894	29.3%
Bed, Bath & Beyond	48,963	48,963	48,963	0	0.0%
Corning	463,163	584,775	584,775	121,612	26.3%
DAE Systems	27,514	24,579	24,579	(2,935)	-10.7%
Design Foundry	0	4,192	4,192	4,192	0%
GKN Driveline	860,698	942,912	942,912	82,214	9.6%
GKN Sinter Metals	42,530	48,217	48,217	5,687	13.4%
People's Bank	10,063	10,063	10,063	0	0.0%
Prysmian Cables & Systems USA	190,995	211,255	211,255	20,260	10.6%
Room & Board	37,001	37,001	37,001	0	0.0%
Star Snax	0	16,675	16,675	16,675	0%
Substance Incorporated	7,887	7,887	7,887	0	0.0%
Sutter Street Williams Sonoma	19,000	0	0	(19,000)	0%
Transportaion Insight	28,408	0	0	(28,408)	0%
Fire Assn - Museum Maintenance	2,800	2,800	2,800	0	0.0%
Foothills Conservancy Technical Assistance	2,000	2,000	2,000	0	0.0%
Forestry	90,844	70,975	70,975	(19,869)	-21.9%
Hickory Airport Tower	3,365	4,000	4,000	635	18.9%
Hickory Public Libraries	222,455	225,289	225,289	2,834	1.3%
Historical Association	125,000	125,000	125,000	0	0.0%
Lake Norman Marine Commission	31,000	31,000	31,000	0	0.0%
NC Wildlife Commission - Beaver Mgmt.	4,000	6,000	6,000	2,000	50.0%
Newton Performing Arts Center	12,074	13,000	0	(12,074)	0%
Partners Behavioral Health Management	525,000	552,000	552,000	27,000	5.1%
Partners ABC Contract	115,000	125,000	125,000	10,000	8.7%
Repay - Court Services	159,441	163,356	163,356	3,915	2.5%
Court Services Contingency (EHA, PSA implementation)	50,000	50,000	50,000	0	0.0%
Salt Block Foundation	90,000	100,000	100,000	10,000	11.1%
TDA - City of Hickory	46,746	0	0	(46,746)	0%
United Arts Council	157,974	158,652	158,652	678	0.4%
<b>WPCOG</b>	<b>107,986</b>	<b>116,462</b>	<b>116,462</b>	<b>8,476</b>	<b>7.8%</b>
Carolina's Innovation Group	2,625	2,625	2,625	0	0.0%
Dues	59,825	68,953	68,953	9,128	15.3%
MPO	32,450	31,360	31,360	(1,090)	-3.4%
Water Resources Committee	13,086	13,524	13,524	438	3.3%
<b>Total</b>	<b>9,269,717</b>	<b>9,536,123</b>	<b>9,616,328</b>	<b>346,611</b>	<b>3.7%</b>



# Recommended for Fire Service District Tax Rate Increases

Fire District	FY21 Requested Tax Rate	FY20 Tax Rate	FY21 Recommended Tax Rate
Bandys	0.1366	0.078	0.115
Claremont	0.13	0.09	0.11
Newton	0.15	0.12	0.15

**Bandys:** \$447,000 increase in revenue requested to fund proposed increase in paid staffing. Minimum of 2 personnel 24/7 with 1 additional staff available during evenings.

**Claremont:** \$146,000 increase in revenue requested to fund proposed increase in paid staffing. Would allow for 24 hour staffing with 2 firefighters on 24-hour shift.

**Newton:** \$184,000 increase in revenue requested to support additional personnel costs due to expiration of SAFER grant and planned equipment replacement (engines, 800mHz radios, extraction equipment).





# Recommended Personnel Changes

Recommended  
w/FY21 Budget



Position	Department	Total FTEs	Funding Source
EMS – Shift Supervisor	Emergency Services (EMS)	2.0	General Fund
Scale Attendant	Solid Waste Management	1.0	Solid Waste Management Fund
Deputy Sheriff	Sheriff's Office (Court Security)	2.0	General Fund
Attorney	County Manager (Legal)	1.0	General Fund
Park Ranger	Planning, Parks& Development	3.0	General Fund
Park Supervisor	Planning, Parks& Development	1.0	
<b>Total Recommended FTEs</b>		<b>10.0</b>	

1/1/21 start

1/1/21 start

5/1/21 start

5/1/21 start

Approved in FY20;  
incorporated into  
FY21 Budget



Position	Department	Total FTEs	Funding Source
School Resource Officer	Sheriff's Office (added during FY19/20)	2.0	DPI Grant
Animal Services Staff	Emergency Services (Animal Services)	15	General Fund
<b>Total FY19/20 Added FTEs</b>		<b>17.0</b>	



# Overview of Proposed Fee Changes

- **Animal Shelter:** various new fees (13 in total) reflective of County responsibility for Animal Shelter operations
- **Public Health:** language change to create flexibility in vaccinations offered by Public Health; direct cost of vaccine + \$22 administrative fee
- **Solid Waste:**
  - Contractual 2.2% increase to MSW (\$0.79 per ton increase) and C&D tipping fees (\$1 per ton increase)
  - 4 new fees: Uncovered / Unsecured Load, Unloading After Hours, Clean Natural Uncontaminated Wood Pallets, Natural Lumber
  - Compost Fee Decrease to aid in moving inventory



# FY2020-21 Budget: Next Steps



- May 15<sup>th</sup> Funding Options for BOC Consideration
- May 21<sup>st</sup> BOC Hearings w/Departments, Schools, and Outside Agencies
- May 28<sup>th</sup> Public Hearing and Wrap-Up
- June 1<sup>st</sup> FY2020-21 Budget Adoption





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